

# INDUSTRY CIRCULAR

ALCOHOL AND TOBACCO TAX DIVISION  
WASHINGTON 25, D. C.



Industry Circular No. 57-4

February 13, 1957

## PROPOSED AMENDMENT OF 26 CFR PART 225

### Proprietors of internal revenue bonded warehouses, and others concerned:

**Purpose.** The purpose of this industry circular is to acquaint you with the provisions of a notice of proposed rule making which was published in the Federal Register for February 5, 1957, and which would affect the regulations presently governing the consolidation of packaged distilled spirits in warehouses.

**Background.** Treasury Decision 6173, approved May 1, 1956, provided that packages of neutral spirits could, if homogeneous, be consolidated and repackaged, the repackaging to be in the same containers from which dumped or in containers of the same kind of cooperage. The Treasury decision made no provision for consolidating spirits other than neutral spirits, and no provision for handling the consolidated spirits other than in packages. The proposed amendments are intended to further liberalize regulations, as explained below.

**Consolidated Neutral Spirits.** The proposed amendments would authorize the storage of consolidated neutral spirits in warehouse tanks, and permit such spirits to be transferred in bond in packages, tank cars, and tank trucks, and by pipeline.

**Other Consolidated Distilled Spirits.** The proposed amendments would permit the consolidation in warehouse tanks of packaged distilled spirits other than neutral spirits if such spirits were homogeneous and were produced in the same distilling season. After consolidation such spirits, or any portion thereof, could be (a) stored in warehouse tanks, (b) transferred in bond in tank cars, tank trucks, or by pipeline, or (c) withdrawn from bond. Repackaging would not be permitted unless such spirits were to be immediately withdrawn from bond. Such consolidated spirits could be withdrawn from bond for any purpose for which the packaged spirits could have been withdrawn before consolidation.

The requirement that spirits otherwise homogeneous must have been produced in the same distilling season would not be applicable to spirits consolidated for transfer to a customs manufacturing bonded warehouse; however, such spirits must have been produced on or about the same date.

**Inquiries.** Inquiries regarding this industry circular should refer to the number shown in the heading, and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in dark ink, appearing to read "Dwight E. Avis".

Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division

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